

would not occur until the year 2010. When fully phased in, the repeal will cost over \$50 billion a year. The cost of repealing the estate tax will be nearly three quarters of a trillion dollars in the second ten years. This nation cannot afford to devote three quarters of a trillion dollars to repealing the estate tax. The 98 percent of Americans who would receive no tax relief from repeal of the estate tax know it is unfair to spend this vast amount on the wealthiest taxpayers.

Let's consider what \$50 billion a year can accomplish for the American people—if we don't repeal the estate tax. It is more than the entire budget for the Department of Education. We could double the federal investment in schools—provide smaller classes with better teachers, state of the art computer technology for every classroom, and modern school facilities across the nation. We could double the financial assistance for college students.

Consider what \$50 billion a year could do for senior citizens. It is \$10 billion more than is needed to fully fund prescription drug coverage for all elderly Americans under Medicare.

We have a bipartisan congressional goal to double the funding for medical research through the National Institutes of Health and improve the health of our entire nation. Fifty billion dollars a year would allow us to virtually triple the NIH budget.

These are the most pressing needs of the American people—not repeal of the estate tax.

Astonishing as it may seem, I have heard my Republican colleagues stand on this floor and claim that the projected budget surplus enables us to easily afford their estate tax repeal. But by the time their law is fully effective in 2010, it will cost the Treasury over \$50 billion each year, rising to \$750 billion over ten years.

Repeal of the estate tax would also cost the country billions in charitable contributions. A Treasury Department analysis estimates that it would cause charitable contributions to be reduced by \$6 billion per year. Colleges that rely on donations to build buildings and provide scholarships would be hurt. Medical schools that rely on donations to conduct medical research would be halted. Public Hospitals that rely on donations to buy equipment and buildings would have to cut back on their ability to provide health care. Shelters that rely on donations to keep people warm and fed would have to turn more people away. Six billion dollars is precious to the non-profit sector of this Nation.

The entire Department of Education will have budgeted \$48 billion in fiscal year 2005. You don't hear Republicans saying we can easily afford to double education spending. Instead, during the recent debate on the Labor-HHS appropriations bill, we repeatedly heard our Republican colleagues say that they had to compromise among competing meritorious priorities to fit within

their limited budget. They have ample money for the super-rich—but nothing for students in crumbling schools.

The same is true for prescription drugs. President Clinton's proposal would cost about \$40 billion in 2010, the year before Republicans want to begin giving over \$50 billion each year in tax breaks to the wealthiest of all Americans.

I vote for prescription drugs over estate tax repeal. I vote for education over estate tax repeal. I vote for medical research over estate tax repeal. This issue should not even be a close question for 98 percent of Americans.

The Republican Party is living up to its reputation as the "Let Them Eat Cake" Party.

What do they propose for senior citizens who desperately need prescription drugs? Republicans say, "Let them eat cake."

What do they propose for schools and students? Republicans say "Let them eat cake."

What do they propose for workers struggling to survive on the minimum wage? Republicans say, "Let them eat cake."

What do they propose for the richest 1 percent of taxpayers? A \$50 billion annual windfall at the expense of America's hard-working families.

I say, "Let them eat cake" will work no better for the Republican Party than it did for Marie Antoinette.

Mr. GRAMS. Mr. President, I rise to make a few brief follow-up remarks about the repeal of the unfair and unjust death tax. As I said before, it is the family farms and small business owners that the death taxes particularly harm, not the rich, as our colleagues from the other side of aisle claim.

Mr. President, the death tax hurts average American workers as well. Let me give you another example of how this tax penalizes those workers:

Hy-Vee, Inc., headquartered in Iowa, with operations in my state of Minnesota and 7 other Midwestern states, is one of the largest employee-owned companies in the nation. Over the past half a century, the employees and the management of Hy-Vee have built a very successful business. It is ranked one of the top 15 supermarket chains in this country, and top 5 supermarket chains based on cleanliness, and other services.

Through the company's profit-sharing mechanism, workers in Hy-Vee are rewarded for their hard work. Over 171 workers of the Hy-Vee company have accumulated assets of over \$650,000. These employees are not wealthy individuals by any means but average workers who work at the checkout lines or at mid-level management.

However, a large portion of the earnings from their hard work can be taken away by the government if we don't eliminate the death tax.

Ron Pearson, CEO of Hy-Vee, says: "We believe that in many ways, employee ownership represents the truest

expression of the American dream. It is simply unfortunate that the dream also contains a nightmare—the estate tax."

Mr. President, I believe Mr. Pearson is right. We must repeal the death tax to preserve the American dream for working Americans.

Mr. President, I ask unanimous consent that an article telling Hy-Vee's story be printed in the RECORD.

There being no objections, the material was ordered to be printed in the RECORD, as follows:

HY-VEE, INC.

(By Ron Pearson)

A strong case could be made that Hy-Vee, Inc., Iowa's largest employer, represents the essence of American capitalism.

Hy-Vee, headquartered in West Des Moines, is one of the nation's largest employee-owned companies, ranking 32nd in Forbes Magazine's list of the top private firms. With the slogan, "A Helpful Smile in Every Aisle," Hy-Vee, Inc. operates more than 200 stores in seven Midwestern states, and generates annual sales in excess of \$3.5 billion—making it one of the top 15 supermarket chains in the nation. In addition to 184 Hy-Vee Food Stores, the Company operates 27 Drug Town drug stores. Hy-Vee also has developed or acquired several subsidiary companies to provide goods and services in dairy, perishables, floral, grocery products, banking, construction and advertising.

Hy-Vee was founded in 1930 by Charles Hyde and David Vredenburg, who opened a small general store in Beaconsfield, Iowa. Eight years later, the two men incorporated as Hyde & Vredenburg, Inc., with 15 stores and 16 stockholders. The name Hy-Vee is a contraction of the two founders' names.

From its very beginning, Hy-Vee has been employee-owned. Profits are shared with employees through the Company's Profit-Sharing Trust Fund, and a combination of bonus, commission, and incentive systems. Every Hy-Vee employee, from CEO Ron Pearson to produce clerks and truck drivers, is included in the plan. The result is an incredibly loyal and long-serving employee group renowned throughout the Midwest for unflagging dedication to customer service, efficient operation, and community involvement. Within the grocery industry, Hy-Vee enjoys a sterling reputation as a retailing innovator as well as a Company with a strong commitment to high ethical standards and business integrity. Hy-Vee's food safety training program, for example, has become a national model of workplace procedures designed to insure freshness and quality. Ron Pearson has served as co-chairman of a national task force on diversity in the supermarket industry, reflective of his Company's involvement in expanding management opportunities for female and minority employees. In 1997, Hy-Vee was ranked by Consumer Reports magazine as one of the nation's top 5 supermarket chains on the basis of cleanliness, courtesy, speed of checkout and price/value.

All in all, Hy-Vee represents the pinnacle of success not only within the supermarket industry, but also as an organization in which the individual employees are held to the highest standards—and rewarded for their work. Some 171 active employees of the Company have accumulated balances of \$650,000 or more in their retirement holdings and Hy-Vee stock. These are store employees, mid-level managers and the like, people who hardly fit the negative stereotype that most Americans have of the wealthy. Yet it is these individuals—and their families—whose life holdings are at risk because of the federal estate tax.